**GOVERNMENT OF ANDHRA PRADESH**
**ABSTRACT**

TOURISM – Grant of Incentives to M/s Sri Venkateshwara Lodge (Mantralayam) Private Limited for Development of a 3-Star Hotel (Hilton-Garden Inn Brand) at Mantralayam as per the provisions of Andhra Pradesh Tourism Policy 2024 -2029 - Orders - Issued.

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**YOUTH ADVANCEMENT, TOURISM AND CULTURE (TOURISM) DEPARTMENT**

**G.O.MS.No. 27** **Dated: 09-09-2025**

**Read the following:**

1. G.O.Ms.No.17, YAT&C (T) Department, Dt:10.12.2024.
2. Proposal of M/s Sri Venkateshwara Lodge (Mantralayam) Private Limited.
3. Minutes of the SIPB Meeting, Dt:28.08.2025 received through Lr.No.2624402/2024/P&I, Industries & Commerce (P & I) Department, Dt:01.09.2025.

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**ORDER: -**

In the reference 1st read above, Andhra Pradesh Tourism Policy 2024-2029 has been issued with an aim to create a robust ecosystem that fosters private investment growth by streamlining approval processes, offering incentives and implementing investor-friendly policies, specially focusing on developing anchor destinations to serve as key hubs, attracting both Domestic and International tourists.

2. In the reference 2nd read above, M/s Sri Venkateshwara Lodge (Mantralayam) Private Limited have submitted investment proposal for development of a 3-Star Hotel (Hilton-Garden Inn Brand) in Mantralayam with an investment of Rs.96.89 Crores with a direct employment potential of 300 people and requested for providing incentives as per the Andhra Pradesh Tourism Policy 2024-2029.

3. The Company has further stated that Andhra Pradesh Tourism Development Corporation had leased an extent of 4.4 acres of land to the Company through open bidding in 2017 for the development of a 3-star hotel. The lease was granted for a period of 33 years, with a provision for extension for an additional 33 years, along with the option for additional development within the leased land. Accordingly, the Company initially developed and is successfully operating a 3-star hotel on an extent of 2.55 acres. It is now proposed to develop another 3-star hotel under the Hilton–Garden Inn Brand in the remaining extent of 1.85 acres and the Company has requested for consideration of the full lease period as 66 years, waiver of the Annual Development Premium (ADP) and grant of incentives under the Andhra Pradesh Tourism Policy 2024–29.

4. The proposal was placed before the State Investment Promotion Board (SIPB) in its meeting held on 28.08.2025 with the recommendations of State Investment Promotion Committee (SIPC) in its meeting held on 22.08.2025. In the reference 3rd read above, the SIPB has recommended to consider the lease period for the entire

**(Contd..2)**

extent of 4.4 acres shall be for 66 years (i.e., present 33 years + additional 33 years) and to sanction all other incentives as per Andhra Pradesh Tourism Policy 2024-2029.

5. Government, after careful examination of the proposal, hereby accept the recommendations of the State Investment Promotion Board (SIPB) in its meeting held on 28.08.2025 in respect of M/s Sri Venkateshwara Lodge (Mantralayam) Private Limited for development of a 3-Star Hotel (Hilton-Garden Inn Brand) at Mantralayam, as follows:

a) The lease period for the entire extent of 4.4 acres shall be considered for 66 years (i.e., present 33 years + additional 33 years).

- For the existing hotel built in an extent of 2.55 acres, the existing lease rent of 2% of the SRO value shall continue, with an annual escalation of 5%.
- For the proposed hotel to be developed on the remaining 1.85 acres, the lease rent shall be 1% of the SRO value, with an escalation of 5% in every 3 years, in line with the A.P. Tourism Policy 2024–29.

b) The Annual Development Premium (ADP) is recommended at 1% of Gross Revenue, with an escalation of 5% every 3 years.

c) Reimbursement of 100% net SGST for a period of 10 years or up to realization of 100% Fixed Capital Investment (FCI), whichever is earlier, as being a Large Tourism Project.

d) Capital subsidy of 10% of FCI, subject to a maximum of ₹10 crore, to be disbursed in five equal instalments, as per Policy under Large Tourism Project category.

e) Electricity charges at industry rates.

f) Reimbursement of electricity duty for a period of 5 years.

g) Property Tax, water supply charges, and sewage tax shall be applicable at industry rates, provided the Company applies for permissions through the Single Window platform.

h) If the project commences commercial operations within two (2) years from the date of issuance of the Government Order, an additional capital subsidy of 1% of FCI shall be granted as a special incentive under the Speed of Doing Business initiative.

i) These incentives will be applicable for the new project (additional development) only.

j) All necessary support for obtaining approvals through the Single Window Clearance system will be extended to the Company.

**(Contd..3)**

6. The Chief Executive Officer, Andhra Pradesh Tourism Authority, Vijayawada shall take further necessary action, accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**AJAY JAIN**
**SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To
The Chief Executive Officer, Andhra Pradesh Tourism Authority, Vijayawada.
M/s Sri Venkateshwara Lodge (Mantralayam) Private Limitedthrough (CEO, APTA).

**Copy to:**

The Finance (FMU-GAD.II) Department
The PS to Secretary to HCM.
The OSD to Minister for Tourism (TC&C)
The OSD to Chief Secretary
The PS to Special Chief Secretary to Government, YAT&C Dept.,
The G.A. (Cabinet) Department
SF/SC (2957483).

**// FORWARDED :: BY ORDER//**

**SECTION OFFICER**